



REPLY TO  
ATTENTION OF:

CERE-RP (405)

28 April 1993

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Homeowners Assistance Program (HAP) - Policy  
Letter 93-2

1. This memorandum clarifies the timeline requirements on reimbursable benefits paid for private sale and/or government acquisition benefits.
2. Districts are encouraged to allow HAP applicants to pursue private sales instead of government acquisition. In instances when an applicant vacillates between government acquisition and a good prospect for private sale benefits, we advise allowing the HAP applicant time to pursue the private sale because it benefits both the applicant and the government. District personnel must make the determination whether the applicant is trying to make a bonified private sale or delaying closing to get higher benefit payments.
3. If an applicant initially chooses government acquisition, and prior to the scheduled closing date for this benefit requests additional time to pursue a private sale (thereby delaying the scheduled closing on the government acquisition), we should allow benefits to accrue for government purchase, if the private sale did not materialize, and we judge the applicant was truly trying to sell his home. We interpret this as an interruption on the pre-scheduled date for government purchase as opposed to a complete withdrawal of the application. ER 405-1-12 paragraph 7-28d discusses reimbursables, if the applicant elects to withdraw his application rather than merely delay closing. In this scenario because it was a bonified pursuit of a private sale, we would allow the reimbursable benefits to be paid for government acquisition on the entire period of time.
4. However, if an applicant elects the private sale option for his convenience (to enhance his benefits) this is considered a withdrawal and therefore constitutes a loss of reimbursable expenses from his/her date of application, vacation of premises, or date the program was approved, whichever applied in his/her situation. This is a judgement call.

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5. A copy of this Policy Memorandum should be kept with the existing published ER 405-1-12, Chapter 7, Change 29, dated 15 September 1992, until there is another published regulation of Chapter 7 (incorporated with the M&D portion of the regulation) which will reflect these changes.

FOR THE DIRECTOR:

Encl

  
DON C. CHAPMAN  
Chief, Realty Services  
Division  
Directorate of Real Estate

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